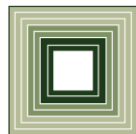


Land Conservation in North Carolina



March 23rd, 2011



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Presentation Overview

1. Why Conserve Land?
2. Funding Sources
3. Land Conservation Programs
 - a. Conservation Trust Funds
 - b. Department Programs
4. Reduction Options

Acronyms

PARTF	Parks & Recreation Trust Fund
NHTF	Natural Heritage Trust Fund
CWMTF	Clean Water Mgmt Trust Fund
ADFPTF	Ag. Development & Farmland Preservation Trust Fund
COPs	Certificate of Participation

Why Conserve Land?

It shall be the policy of this State to conserve and protect its land and waters for the benefit of all its citizenry, and to this end it shall be a proper function of the State of North Carolina and its political subdivisions to acquire and preserve park, recreational and scenic areas...

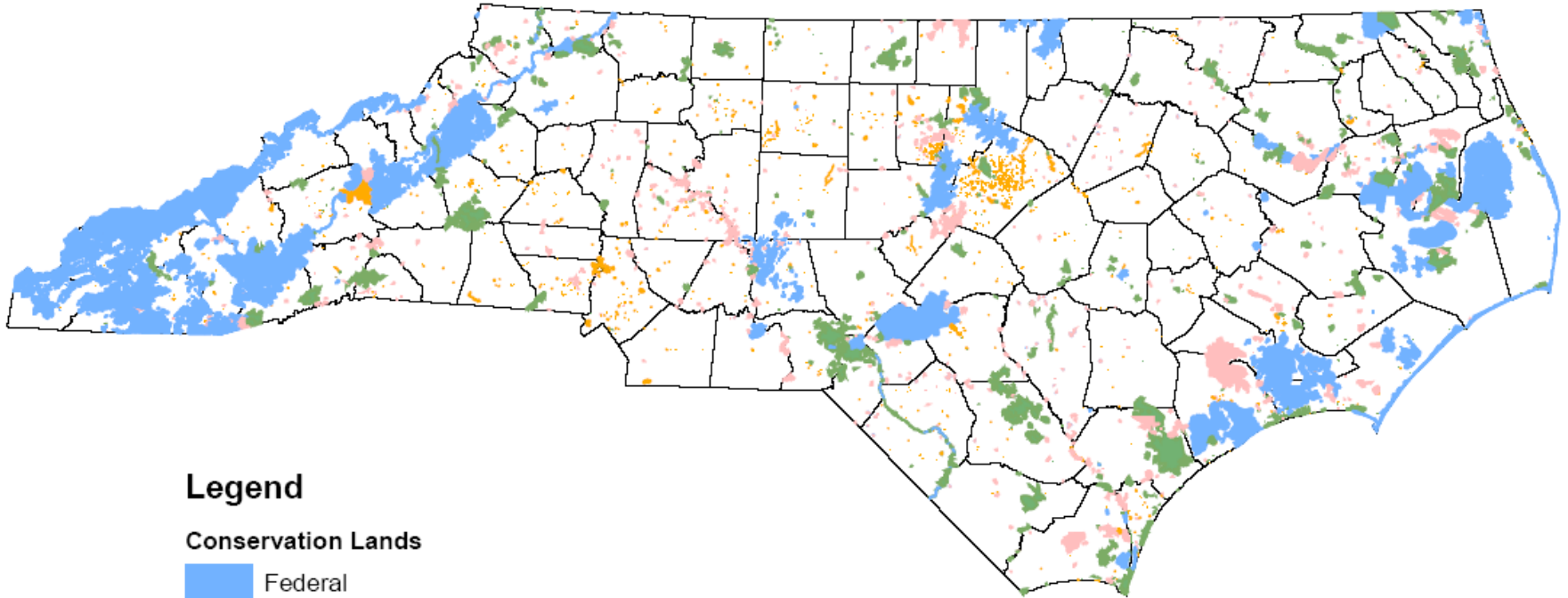
- Section 5, North Carolina Constitution



Why Conserve Land?

- According to a Trust for Public Lands study, **every \$1 invested returns \$4 in economic value** from natural resource goods and services alone
- Land conservation contributes to the economy:
 - Promotes tourism
 - Defense spending
 - Agriculture & Forestry industries

Total Land in Conservation



Legend

Conservation Lands

- Federal
- State
- Local
- Private

Over 3.2 million Acres
~ 10% of the State

March 2007

Total Land Acquisitions Spending*

Program	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
ADFPTF	\$ 0.00	\$ 5.23	\$ 2.96	\$ 2.34
CWMTF	\$ 70.16	\$ 76.85	\$ 5.20	\$ 21.91
DENR	\$ 0.29	\$ 15.12	\$ 3.76	\$ 2.97
EEP	\$ 10.78	\$ 3.45	\$ 2.46	\$ 2.47
NHTF	\$ 24.88	\$ 59.96	\$ 3.44	\$ 0.31
PARTF	\$ 22.11	\$ 70.81	\$ 13.35	\$ 3.72
WRC	\$ 17.69	\$ 7.56	\$ 41.37	\$ 9.93
TOTAL	\$ 145.91	\$ 238.99	\$ 72.55	\$ 43.64

* Includes program administration, planning, purchasing, and funds distributed to local governments & nonprofits.

Approximate Acreage Conserved

ADFPTF*	4,600
CWMTF*	454,900
CREP*	25,450
EEP	47,890
Forest Resources	52,300
Plant Conservation	11,350
State Parks	208,000
<u>WRC</u>	<u>475,200</u>
Total Acres	1,232,690

* Primarily Conservation Easement or grant programs; State does not own the property

Funding Sources

General Fund Appropriations

Dedicated Revenues

- Deed Stamp Tax
- License Plate Fees

Other Receipts

- Grants
- Fees and License Revenues

Certificates of Participation & Capital Funds



Funding Sources: General Fund

General Fund Appropriations

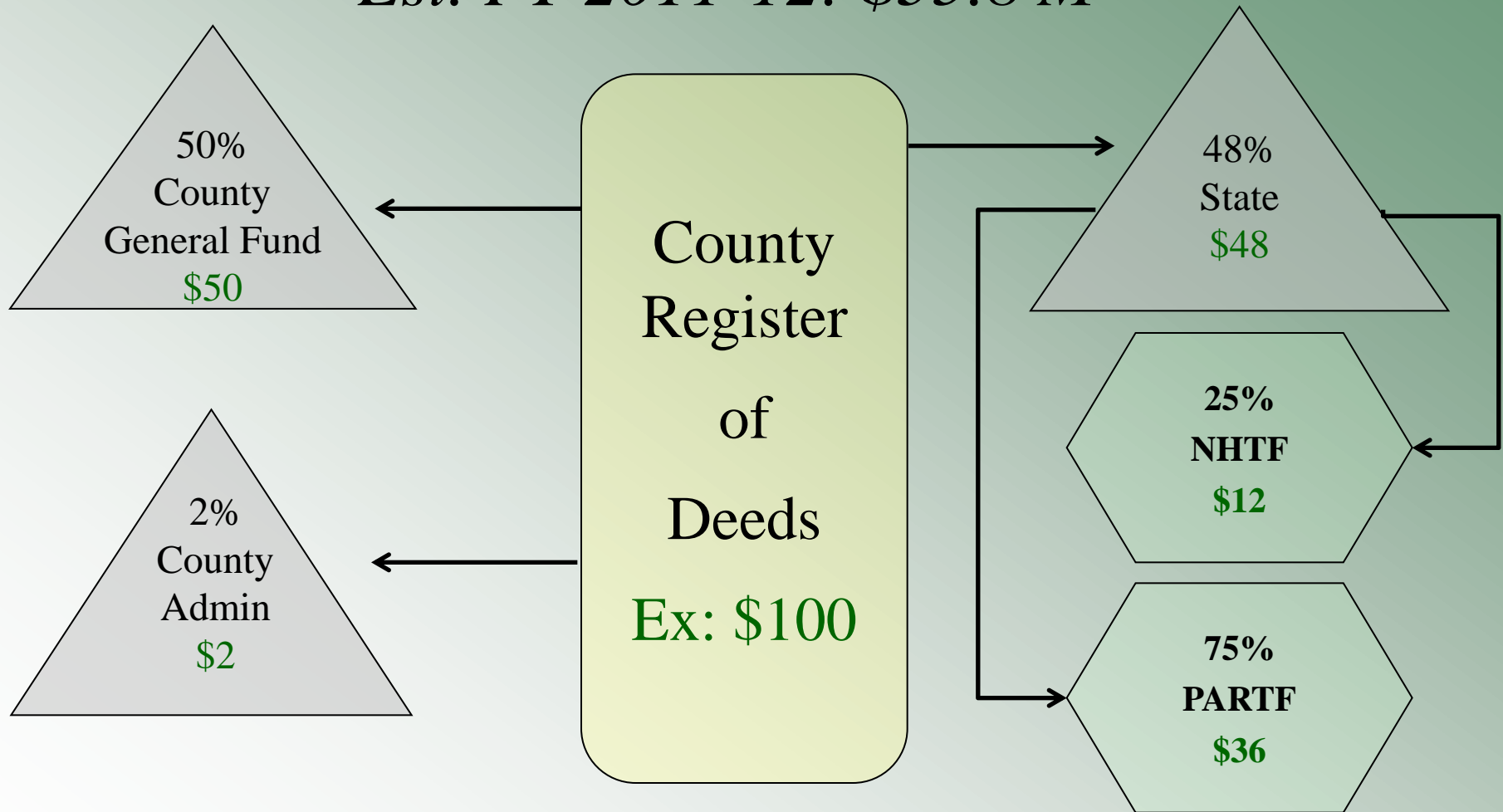
- Clean Water Management (\$100 million)
- Ag. Dev. & Farmland Preservation Trust Fund (\$2 million)
- Division of Soil & Water Conservation
 - Conservation Reserve Enhancement Program (~\$289.6 K)
- Plant Industry Division
 - Plant Conservation (~\$68 K)

Funding Sources: Dedicated Revenue



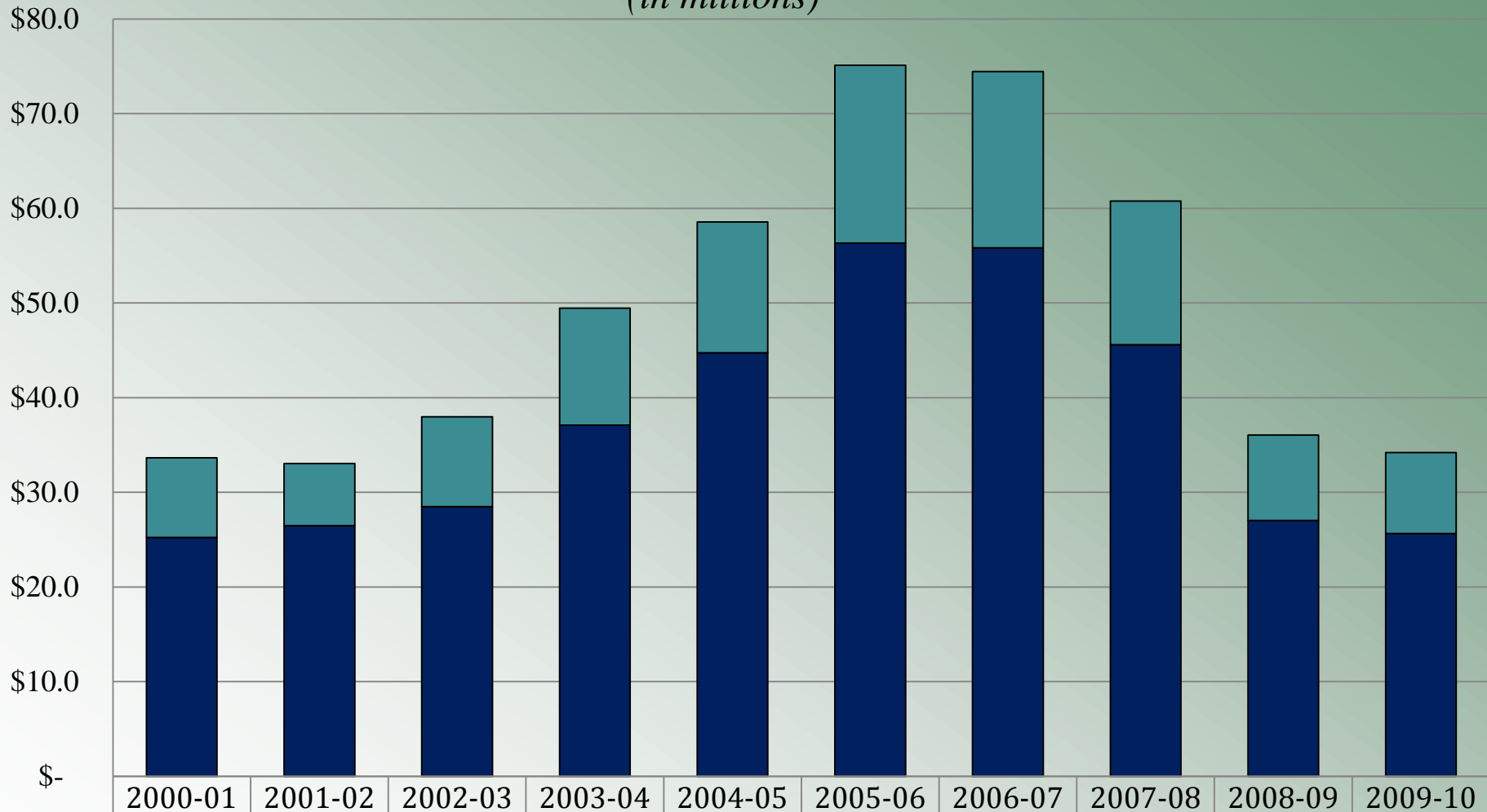
Deed Stamp Tax

Est. FY 2011-12: \$35.8 M



Deed Stamp Tax Receipts

(in millions)



NHTF	\$8.4	\$6.6	\$9.5	\$12.4	\$13.8	\$18.8	\$18.6	\$15.2	\$9.0	\$8.6
PARTF	\$25.2	\$26.5	\$28.5	\$37.1	\$44.7	\$56.3	\$55.8	\$45.6	\$27.0	\$25.7

Specialty License Plates

G.S. 20-79.7

Natural Heritage Trust Fund

- \$15 of each personalized plate
- \$10 of each First in Forestry plate
- \$15 of each Out-of-state Collegiate Insignia plate
- \$15 for the “State Parks” license plate

~\$4.22 M Annually

Parks & Rec. Trust Fund

- \$5 from each personalized plate

~\$1.39 M Annually

Funding Sources: Other Funds

Other Revenue

- Federal Funds
 - Forest Legacy Program
- Hunting & Fishing License Revenue
 - Marine Fisheries
 - Wildlife Resources
- Compensatory Mitigation Payments
 - Ecosystem Enhancement Program

Funding Sources: COPs

(Certificates of Participation)

Appropriations backed debt

Does not pledge the full faith and credit of NC;

CWMTF (G.S. 113A-253)

- Trustees may authorize funds to retire debt incurred for CWMTF-related purposes

Payment: \$1.7 M annually

WRC

- Funds may be used to retire debt

Payment: \$1.7 M annually

PARTEF (G.S. 113-44.15)

- Trustees may authorize up to 50% of the State Parks' 65%

Payment: \$7.22 M annually

NHTF (G.S. 113-77.9)

- Trustees may authorize up to 50% of deed stamp tax

Payment: \$4.41 M annually

Recent Special Indebtedness

COPs Authorizations

- S.L. 2004-179 – Up to \$25M for land near military bases and \$25M for parks and game lands from PARTF, NHTF, and CWMTF
- S.L. 2006-231 – Up to \$20M in COPs for WRC to acquire game lands
- SL 2007-323 – Up to \$50M for Land for Tomorrow and \$20M for Waterfront Access and Marine Industry from PARTF

Conservation Trust Funds

Natural Heritage Trust Fund

To serve as a funding source for **state agencies** to acquire and protect land with **outstanding natural or cultural heritage value.**

- G.S. 113-77.6
- Created in 1987
- Funding Sources:
 - 25% of State portion of deed stamp tax
 - License plate revenue
 - Interest earnings
- 12-member citizen board



Natural Heritage Trust Fund

Diverse Projects

- Recreation, scientific, education, cultural and aesthetic purposes
- Additions to state parks, trails, forests, wildlife areas
- Historic properties
- Natural corridors

Eligible Agencies

DENR

DACS

Cultural Resources

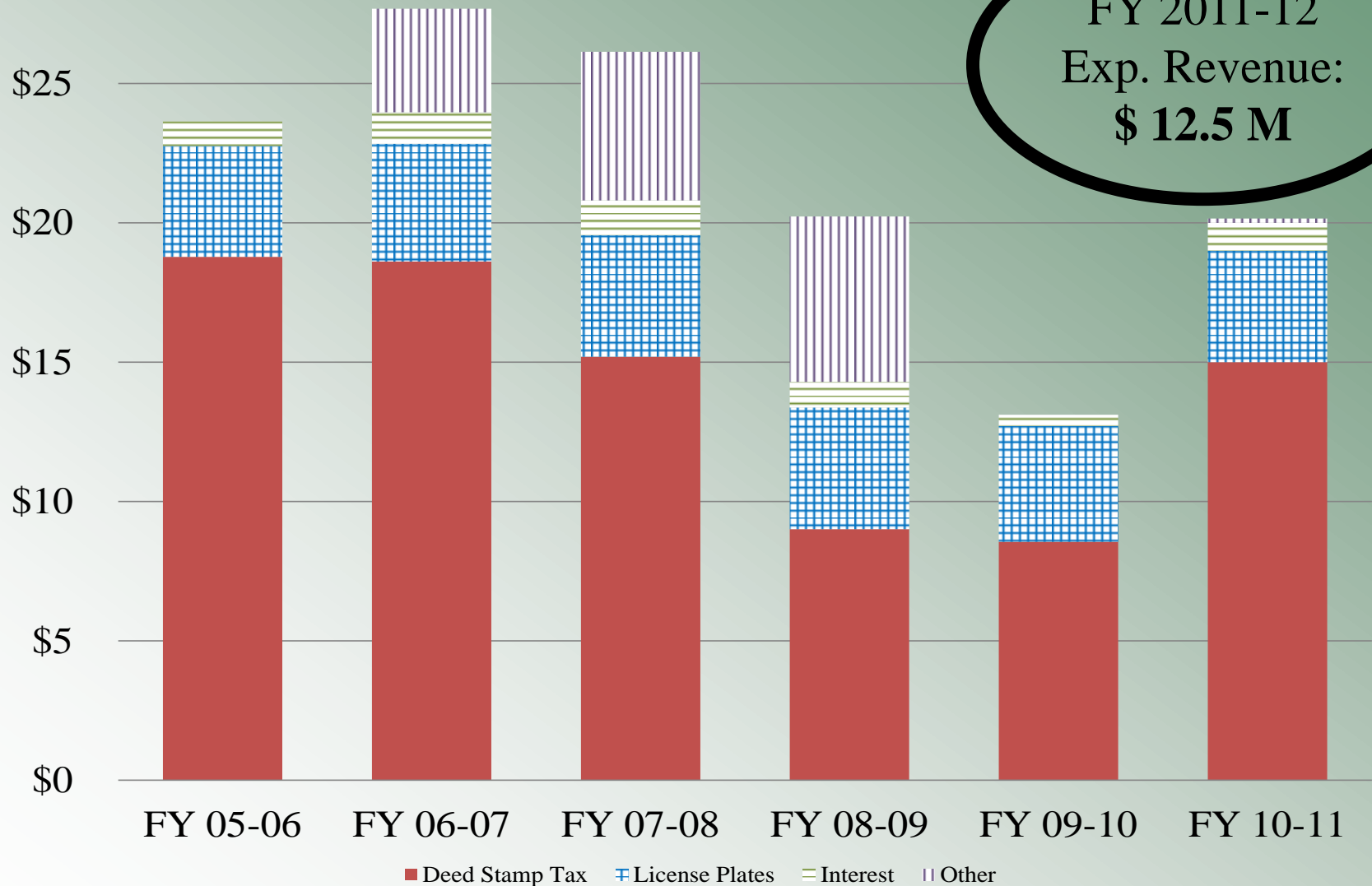
WRC

Between 1987 and June 30, 2010...

NHTF has contributed to the protection of ~294,000 acres through 499 grants totaling more than \$319 M

Natural Heritage Trust Fund

(in Millions)



Parks and Recreation Trust Fund

- G.S. 113-44.15
- Created in 1994
- Funding Sources:
 - 75% of deed stamp tax
 - Fees from specialty license plates (\$5/plate)
 - Interest earnings
- 11-member appointed board

Purpose of Fund:

To improve the **state's park system** (65%)

To provide grants for **local governments** (30%)

To improve public **access to the state's beaches** (5%).

Parks and Recreation Trust Fund

Public Beach and Coastal Waterfront Access Program*

Since 1981, funded construction or improvements of over 300 public access sites at a cost of over \$34 M

Local Gov't Grants

Since 1995, awarded more than \$143 million in grants to 646 projects in 99 counties

* Program started in 1981 but only began receiving PARTF funds in FY 1996-97

FY 2009-10 Expenditures: \$ 26,888,444

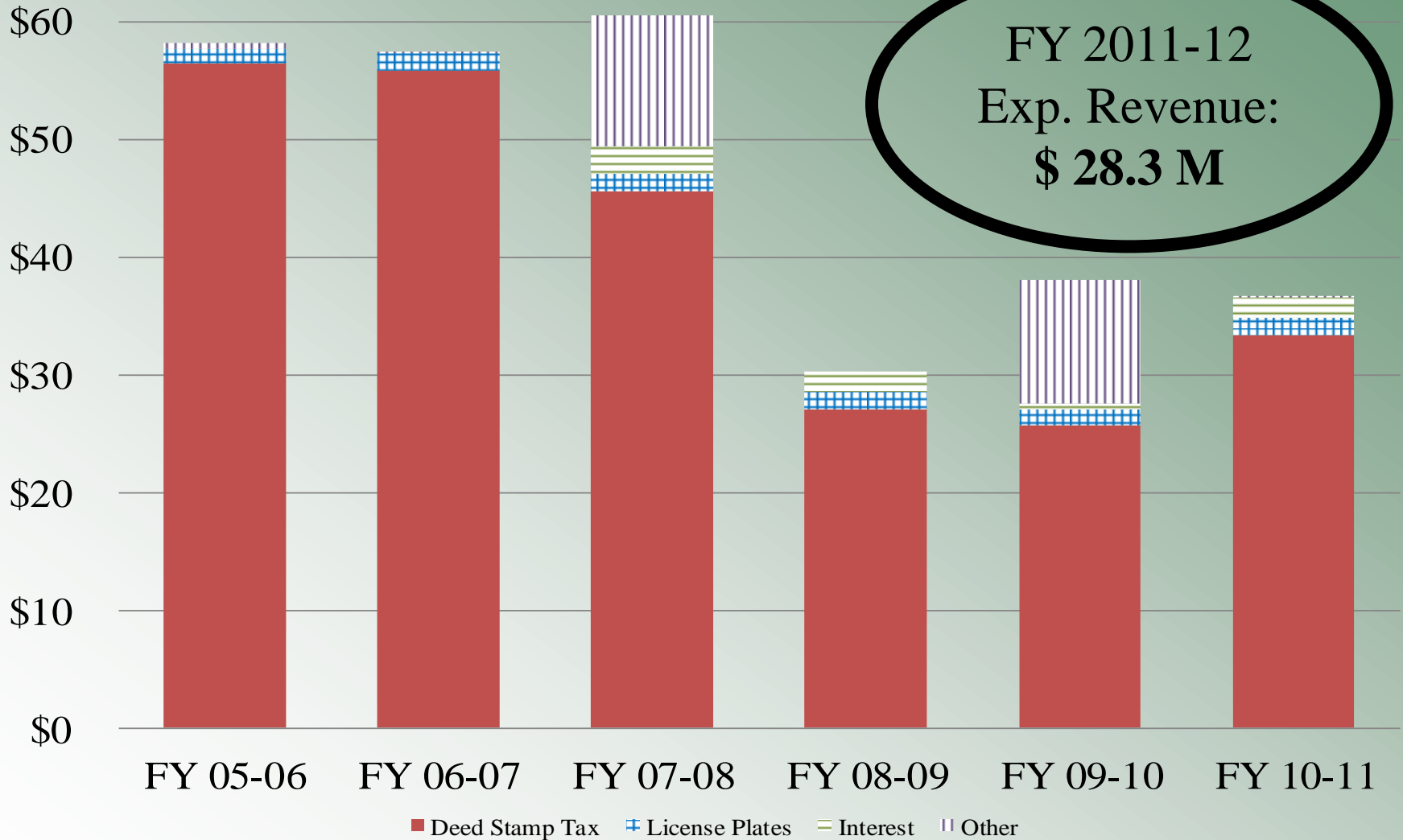
Waterfront Access:	\$1.34 M
Local Gov't Grants:	\$7.82 M

State Parks System

Land Acquisition:	\$600 K
Capital Projects:	\$9.11 M
COPs:	\$7.25 M
Administrative:	\$766 K

Parks & Rec Trust Fund

(in Millions)



Clean Water Management Trust Fund

- G.S. 113A-253
- Created in 1996
- Funding Source:
 - General Fund appropriation
 - G.S. sets appropriation of \$100 million annually
- 21-member board
- Administrative cost cap of 2% of annual balance of the fund
 - Set at \$2.1M in S.L. 2009-451

Use of Fund:

- To enhance or restore **degraded waters**,
- To **protect unpolluted** waters,
- To contribute toward a network of **riparian buffers and greenways** for environmental, educational, and recreational benefits.

Clean Water Management Trust Fund

General Fund Appropriation

FY 2010-11	\$50 million
FY 2009-10	\$50 million
FY 2008-09*	\$100 million
FY 2007-08	\$100 million
FY 2006-07	\$100 million
FY 2005-06	\$100 million

* FY 2008-09: Governor transferred \$115 million to balance the budget

Eligible Applicants:

State agencies
Local governments
Nonprofits

Program Fund Allocation:

Wastewater	26%
Restoration/ Stormwater/ Greenways	19%
Land Acquisition	55%

Clean Water Management Trust Fund

Since its creation in 1996, CWMTF has awarded...

Project Type	# of Awards	CWMTF \$	Leveraged \$	Total \$
Wastewater	276	\$248.0 M	\$454.5 M	\$702.5 M
Restoration/ Stormwater/ Greenway	330	\$174.6 M	\$315.9 M	\$490.5 M
Acquisition	718	\$521.9 M	\$753.5 M	\$1,275 M
Planning	135	\$16.7 M	\$19.5 M	\$36.2 M
Total	1,459	\$961.3 M	\$1,543 M	\$2,504 M

Agriculture Development & Farmland Preservation Trust Fund

- G.S. 106-735
- Current Trust Fund
Established in 2005
 - Farmland Preservation Fund established in 1986
- Funded by General Fund Appropriation
- 19-member Trust Fund Advisory Committee

Purpose

To encourage the preservation of qualifying agricultural, horticultural, and forestlands to foster the **growth, development, and sustainability** of family farms....

Ag. Development & Farmland Preservation Trust Fund

General Fund Appropriation

FY 2010-11	\$2 million R
FY 2009-10	\$2 million NR
FY 2008-09	\$4 million NR
FY 2007-08	\$8 million NR
FY 2006-07	-
FY 2005-06	\$50,000 NR

Eligible Projects

Conservation Agreements
Agricultural Easements
Public & Private Enterprise
Programs

Eligible Recipients

Nonprofit Organizations
Local Governments

Other Programs



Wildlife Resources Commission

To **protect, develop, conserve, and regulate** the **wildlife resources** of the state and to administer the laws relating to these resources and to **safe boating**

- G.S. 143-239
- Created in 1947
- 19 citizens of North Carolina
 - Each member shall be an experienced hunter, fisherman, farmer, or biologist, who shall be generally informed on wildlife conservation and restoration problems
 - NCGA appoints 8 members
 - Governor appoints 11 members

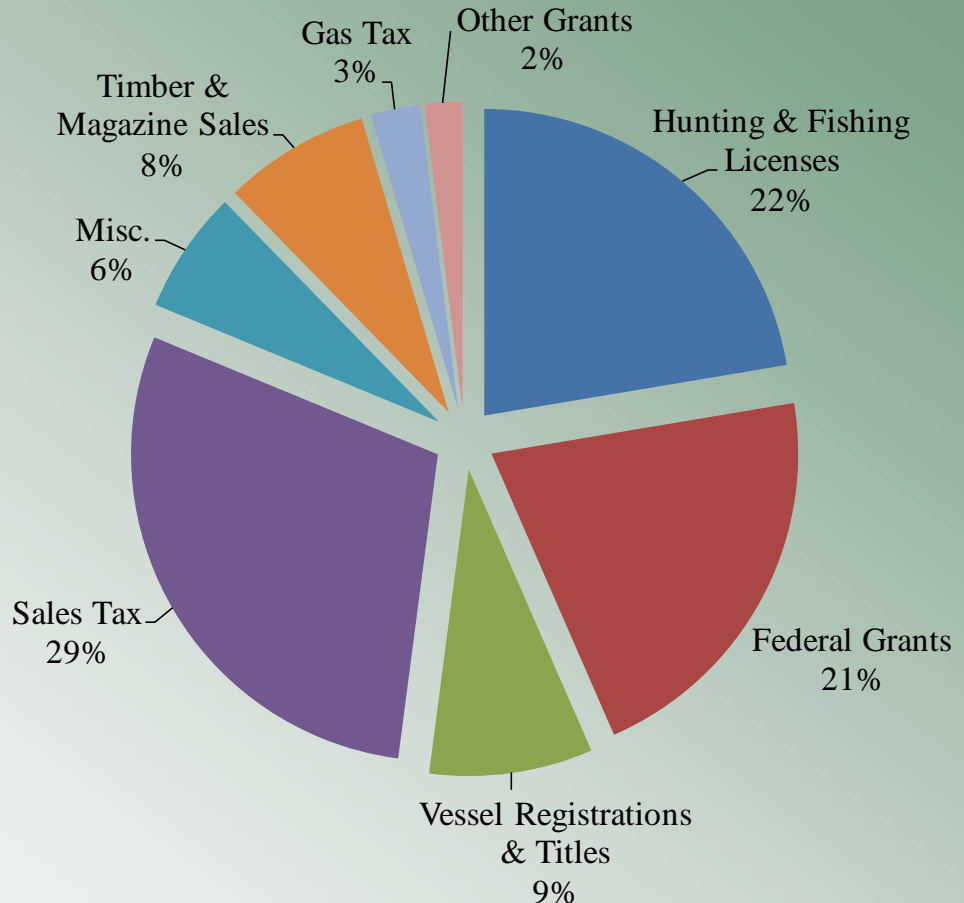
Wildlife Resources Commission

Source of Funds FY 2009-10

FY 2009-10 Total Fund:
\$73.72 M

> 475K acres
owned

> 2 million acres
managed



Wildlife Resources Commission

Division	# of:					Total Employees
	Directors	Asst. Directors	Supervisors	Admin (Budget, HR, IT,)	Other Employees	
Admin Services	1	2	17	28	29	77
Enforcement			66		178	244
Conservation Education			13		35.5	48.5
Inland Fisheries			24		70	94
Wildlife Management			45		98	143
Engineering Services			11		41	52
Total	1	2	176	28	451.5	658.5

Cell Phones

Dec. 2010	414
Dec. 2009*	222
Monthly Cost (12/2010)	\$19,091

Vehicles

MFM	252
<i>Dept-owned</i>	
Passenger	266
Heavy Equip.	35

* Due to budget reductions, enforcement staff had **no phones in Dec. 2009**. In the spring of 2010, the division reissued 210 phones due to the need for communication.

Wildlife Resources Commission



Conservation Reserve Enhancement Program

A **voluntary program** utilizing federal and state resources to achieve long-term protection of environmentally sensitive cropland and marginal pastureland.

80% Federal USDA - 20% State match

State Match Sources

Ag Cost Share Program

General Fund Appropriations

EEP

CWMTF

FY 2011-12
General Fund:
\$ 289 K

10-yr, 15-yr, 30-yr & permanent easement options

Active in 9 river basins, 76 counties

Ecosystem Enhancement Program

To restore, enhance, preserve, and protect the functions associated with wetlands, streams, and riparian areas

Funding:

- No general fund appropriation
- DOT compensatory mitigation payments
- Nutrient offset fee payments
- Buffer payments

FY 2009-10

64 land transaction

Helps federal, State, & local agencies and private businesses comply with state & federal laws

Plant Conservation Program

- Identify endangered, threatened or special concern plants
- Determine if limits or regulations on a plant are needed
- Develop, establish and coordinate conservation programs for endangered species and threatened species of plants



164 protected NC plant list
19 plant preserves
> 11,350 acres

FY 2011-12
General
Fund:
\$ 68 K

Land Conservation: Options

Conservation Trust Funds

- CWMTF Funding = Full Appropriation Chair Issue
- Alter Trust Fund Uses for the Biennium
 - Fund a portion of State Park operations with PARTF funds *
 - Allocate part of NHTF for natural heritage related programs
 - Plant Conservation (~\$68K)
 - Conservation Planning & Community Assistance (~\$357K)
 - In lieu of land acquisitions, allot revenue for NR needs
 - State Revolving Funds (~\$14.5M)

* Could be done without impacting local government grants and beach access funding

Land Conservation: Options

Conservation Trust Funds

- Consolidation of conservation programs
 - Commissions/ Advisory Boards
 - Trust Funds Functions
 - Non-Trust Fund Programs

WRC

- Review Sales Tax transfer
 - Consider extending \$21.5M transfer cap
 - Expected transfer FY 2011-12 = \$22.8 M
 - Change funding model